

**ATTACHMENT A
DRAFT COPY**

REQUEST FOR PROPOSALS

**OPERATION OF THE SUNNYVALE
MATERIALS RECOVERY AND
TRANSFER STATION**

*Issued by the
City of Sunnyvale on
Behalf of the Cities of
Mountain View, Palo Alto, and Sunnyvale*

*April 4, 2006
Draft 2 for review*



*Printed on Recycled Paper
Double-sided to Conserve Resources*

TABLE OF CONTENTS

SECTION 1. PROJECT OVERVIEW.....	1
1.1 INTRODUCTION.....	1
1.1.1 Required Services	2
1.1.2 Additional Required Services.....	2
1.1.3 Minimum Recycling Level.....	3
1.1.4 Compensation.....	3
1.1.5 Proposal Forms	4
1.1.6 Operating Agreement.....	5
1.1.7 Organization of Request for Proposals.....	5
1.2 GENERAL REQUIREMENTS	5
1.2.1 Electronic Submittal	5
1.2.2 Number of Copies	6
1.2.3 Signature and Authority.....	6
1.2.4 Cost for Preparation of Proposals/Ownership of Proposals	6
1.2.5 Protection of Confidential Materials	7
1.2.6 Rights Reserved by the City	8
1.2.7 Process Integrity Guidelines.....	8
1.3 GENERAL INFORMATION.....	9
1.3.1 Pre-proposal Meeting.....	9
1.3.2 Project Coordinator / Point of Contact	10
1.3.3 Submission Deadline and Address.....	10
SECTION 2. GENERAL INFORMATION.....	12
2.1 BACKGROUND.....	12
2.2 TONNAGE / FINANCIAL DATA.....	12
2.2.1 MSW and Source-Separated Yard Trimmings Tonnage Data	12
2.2.2 Recyclable Materials Processing – Commodity Tonnage.....	13
2.2.3 MSW Processing – Commodity Tonnage.....	13
2.3 WASTE COMPOSITION DATA	16
2.4 OTHER AVAILABLE DATA	17
2.5 FINAL ENVIRONMENTAL IMPACT REPORT	17
SECTION 3. DESIGN AND DESCRIPTION OF THE SMART STATION	18
3.1 SMART STATION DESIGN.....	18
3.1.1 SMaRT Station Capacity.....	18
3.1.2 Principal SMaRT Station Features.....	18
3.1.3 Tipping Operations.....	19
3.1.4 MSW Processing Operations.....	20
3.1.5 Transfer Operations.....	21
3.1.6 Recyclable Materials Processing Operations.....	21
3.1.7 Wood and Yard Trimmings Processing	21
3.1.8 Buyback/drop-off Center.....	22
3.1.9 Hazardous Waste Storage Area.....	22
3.1.10 Offices and Visitor Center	22
3.1.11 Scale House	23
3.1.12 Radiation Monitors.....	23
3.1.13 Facility Parking and Vehicle Maintenance	23
3.1.14 Other Facility Amenities.....	24
3.1.15 Electrical Requirements.....	24
3.1.16 Wastewater Discharge Requirements	24

3.2	STATIONARY EQUIPMENT.....	25
SECTION 4. SMART STATION OPERATION.....		26
4.1	GENERAL OPERATIONS.....	26
4.1.1	Operating Hours.....	26
4.1.2	Facility Personnel.....	26
4.1.3	Facility Personnel - Prevailing Wage.....	26
4.1.4	Facility Personnel Training and Safety.....	26
4.1.5	Permits and Regulations.....	26
4.1.6	Transfer/Processing Report.....	27
4.2	MATERIAL PROCESSING OPERATIONS.....	27
4.2.1	General.....	27
4.2.2	MSW Processing.....	28
4.2.3	MSW Processing Equipment.....	28
4.2.4	Delivery of MSW and Source-separated Materials.....	30
4.2.5	Source-separated Material Processing.....	31
4.2.6	Buyback/Drop-off Center.....	31
4.2.7	Yard Trimmings and Wood Waste Processing.....	32
4.2.8	Transfer of Non-Recoverable Solid Waste.....	33
4.3	TRANSFER VEHICLE LOGISTICS.....	34
4.3.1	Transfer Trailers.....	34
4.3.2	Turnaround Time.....	34
4.3.3	Vehicle Weighing.....	34
4.3.4	Vehicle Parking, Fueling & Maintenance and Cleaning.....	34
4.4	EQUIPMENT AND FACILITY OPERATION AND MAINTENANCE.....	34
4.4.1	Equipment.....	34
4.4.2	Facility Operation and Maintenance.....	35
4.5	HAZARDOUS WASTE EXCLUSION.....	35
4.6	MITIGATION MEASURES.....	35
4.7	COLLECTION OF FEES.....	36
4.8	SALE OR TRANSFER OF RECYCLABLE MATERIALS.....	36
4.9	OPERATION PERFORMANCE GUARANTEES.....	36
4.10	PERFORMANCE BOND.....	36
4.11	ENVIRONMENTAL PROCUREMENT POLICY.....	36
4.12	CLEAN AIR FUELS AND RECYCLED MOTOR OIL.....	37
SECTION 5. BUSINESS AND FINANCIAL ARRANGEMENTS.....		38
5.1	TERM OF AGREEMENT.....	38
5.2	PAYMENT ARRANGEMENTS.....	38
5.2.1	City's Payments.....	38
5.2.2	Payment to the Selected Contractor.....	39
5.2.3	Revenues from Sale of Recyclable Materials.....	40
5.2.4	Invoicing and Reporting Requirements.....	41
5.3	DEFAULTS AND REMEDIES.....	41
5.4	INSURANCE REQUIREMENTS.....	41
SECTION 6. PROPOSAL REQUIREMENTS AND EVALUATION.....		42
6.1	PROPOSAL PACKAGE CONTENT AND ORGANIZATION.....	42
6.2	PROPOSER QUALIFICATIONS.....	43
6.2.1	Technical Experience.....	43
6.2.2	Financial Qualifications and Bond Requirements.....	43
6.2.3	Corporate and Project Team Experience and Qualifications.....	44
6.2.4	Other Required Submittals.....	44
6.2.5	Specifications for Operation of SMaRT Station.....	45
6.3	PROPOSAL EVALUATION CRITERIA.....	46

TABLES

Table 2-1	SMaRT Station Operations and Financial Information.....	14
Table 2-2	Recyclable Materials Processing – Commodity Tonnage*	15
Table 2-3	MSW Processing – Commodity Tonnage*	15

FIGURES

Figure 4-1	Material Flow Diagram for SMaRT Station.....	29
Figure 5-1	Cash Flow Diagram for SMaRT Station	39

APPENDICES

- A. SMaRT STATION DESIGN DRAWINGS
- B. PROPOSAL FORMS
- C. AGREEMENT
- D. MEMORANDUM OF UNDERSTANDING
- E. WASTE COMPOSITION DATA
- F. WASTEWATER MANAGEMENT DATA
- G. DESCRIPTION OF SMaRT STATION EQUIPMENT
- H. PERMITS NECESSARY FOR OPERATION OF THE SMaRT STATION
- I. TRANSFER/PROCESSING REPORT
- J. EXAMPLE – MATERIALS RECOVERY AND MARKETING PLAN

ATTACHMENT

SMaRT STATION OPERATIONAL AND FINANCIAL INFORMATION (CD-Rom)

SECTION 1. PROJECT OVERVIEW

1.1 INTRODUCTION

The City of Sunnyvale (City), on behalf of the cities of Mountain View, Palo Alto and Sunnyvale (the Participating Agencies) is seeking proposals from qualified and capable firms to operate the Sunnyvale Material Recovery and Transfer Station (SMaRT Station®). The operating agreement (Agreement) will be between the City of Sunnyvale and the selected Contractor for a seven (7) year period. At the City's option the term of the Agreement may be extended for one or more periods of three months, up to a maximum of one year. SMaRT Station operations under the Agreement will commence on January 1, 2008.

The schedule for this procurement process is as follows:

Action	Date
RFP Issued to Proposers	June 1, 2006
Mandatory Pre-proposal Meeting & SMaRT Station Tour	June 12, 2006
Mandatory Pre-proposal Meeting	June 26, 2006
Deadline for written questions from proposers	June 30, 2006
Written responses to proposers questions issued by City	July 17, 2006
Proposals Due	August 1, 2006
Proposal Evaluations Begin	August 2, 2006
City Council Awards Contract	February 6, 2007
New Contract Begins	January 1, 2008

The SMaRT Station is located on nine acres of City-owned property, north of Caribbean Drive and immediately adjacent to the closed Sunnyvale Landfill (see Appendix A, SMaRT Station Design Drawings, Figure A-2). The SMaRT Station is designed to process 1,500 tons of material per day. The facility became operational in July, 1993 for use as a transfer station, and went into full operation as a municipal solid waste (MSW) processing facility in July 1994. The SMaRT Station is currently operated by GreenTeam/Zanker of Sunnyvale. The

operational objective of the SMaRT Station is to maximize the cost-effective diversion of solid waste generated by the residents and businesses of the Participating Agencies. Proposals must indicate how the operation of the facility will be conducted to optimize the recovery of materials from MSW, yard trimmings, and source-separated recyclable materials (Recyclable Materials) delivered by the Participating Agencies. The types and estimated quantities of materials to be recovered must be thoroughly discussed in the proposal.

1.1.1 Required Services

Services to be provided include the receipt, processing and transfer of the following material streams:

- MSW from each of the Participating Agencies (franchised haulers and city vehicles).
- Source-separated Recyclable Materials from the City of Sunnyvale's residential curbside and multi-family recyclable collection programs.
- Source-separated Recyclable Materials from the City of Mountain View's residential curbside, multi-family, and commercial recycling collection programs.
- Yard trimmings from the City of Sunnyvale and City of Mountain View's residential yard trimmings collection programs.
- Recyclable Materials brought to the SMaRT Station by the public.

The selected Contractor will also be responsible for the marketing of all recovered materials. All non-diverted MSW will be transferred by the SMaRT Station Contractor to the Kirby Canyon Landfill located in south San Jose.

1.1.2 Additional Required Services

In addition to the above required services, receipt, processing and transfer of the following material streams, although not currently anticipated, may also be required:

- Commingled single-stream Recyclable Materials from the City of Palo Alto's residential curbside and commercial recycling programs. Palo Alto's current collection and processing agreement will expire July 1, 2009 unless extended. The single stream recyclable materials could be processed utilizing the equipment designed for processing MSW.
- Yard trimmings from the City of Palo Alto's residential yard trimmings collection program. This material is currently processed at Palo Alto's composting facility, which is scheduled to close in 2011.
- Source-separated commercial recyclables from the cities of Sunnyvale and Palo Alto.

For purposes of responding to this Request for Proposals (RFP), Proposers should assume that residential curbside Recyclable Materials and source-separated yard trimmings from the City of Palo Alto and commercial source-separated recyclable materials from the cities of Sunnyvale and Palo Alto will not be delivered to the SMaRT Station for processing. If any of these materials are delivered to the SMaRT Station in the future, however, the selected Contractor will be required to handle these materials, as directed by the City. As described in Section 4.2.5, separate costs are being requested from Proposers for processing these materials.

1.1.3 Minimum Recycling Level

Materials recovery at the SMaRT Station is anticipated to reduce the waste stream going to the landfill between 17.5% to 25% or more. A minimum of 17.5% material diversion (minimum recycling level) is required, but Proposers are encouraged to calculate the highest cost-effective recovery rate achievable in their informed judgment. Only MSW delivered to, and recovered by the SMaRT Station will count toward the 17.5% minimum recycling level. The following materials will not count toward the 17.5% minimum recycling level:

- Source-separated recyclable materials from the Participating Agencies (including single-stream curbside recyclables).
- Source-separated wood and yard trimmings from the Participating Agencies.
- Recyclable Materials brought to the buyback/drop-off center.
- Other source-separated Recyclable Materials (e.g. wood, concrete, clean soil) delivered by the public.

The materials to be recovered and processed at the SMaRT Station will include, but are not limited to, aluminum, cardboard, ferrous metals, high grade paper, mixed waste paper, newsprint, glass, wood, yard trimmings, plastics, e-waste, tires, mattresses and white goods (large appliances). Recovered and processed materials will be shipped to markets by the Contractor.

1.1.4 Compensation

The selected Contractor will be compensated by four separate revenue sources:

- A fixed annual Contractor's Payment (proposed by selected Contractor) for accepting, processing, and transferring up to 290,000 tons per year of MSW and yard trimmings from the Participating Agencies' franchised haulers (not including publicly hauled waste). The Contractor's Payment will be paid in 12 equal monthly installments each year.
- Per-ton Tipping Fees for Excess Tonnage (Proposed by selected Contractor) applied to tons of franchised MSW, and yard trimmings in excess of 290,000 tons per year.

Proposers shall provide two separate Tipping Fees for Excess Tonnage: One for MSW and another for yard trimmings. These Tipping Fees will be utilized when the combined inbound tonnage of franchised MSW and yard trimmings exceeds 290,000 in any given fiscal year.

- The Contractor's Share of Public Use Fee Revenue (set by the City). The City establishes Public Use Fees for publicly hauled (non-franchised) materials. The Public Use Fees vary by material type and are all greater than \$5.50 per cubic yard. The Contractor's Share of Public Use Fee revenue for all material types shall be \$5.50 per cubic yard. The selected Contractor will collect Public Use Fee revenue from public customers, retain \$5.50 per cubic yard, and remit the remainder of the Public Use Fee Revenue to the City.
- A percentage of the revenues from the sale of recyclable materials (sliding scale based on recycling rate achieved by selected Contractor) as specified in Exhibit O-13 of the Agreement.

The annual Contractor's Payment, Tipping Fees for Excess Tonnage and Contractor's Share of Public Use Fee Revenue will be adjusted for inflation each fiscal year per Section 5.03 of the Agreement.

In addition, the City will reimburse the selected Contractor for the costs of stationary equipment parts and for the cost of proper management of intercepted hazardous waste and sharps.

The selected Contractor will receive no tipping fee or other direct compensation for the processing of source-separated Recyclable Materials from the residential curbside, multi-family and commercial recycling programs other than a share of revenues received from the sale of those materials. The Contractor's percentage of material revenues specified in Exhibit O-13 of the Agreement will be applied to all materials marketed from the SMaRT Station including source-separated Recyclable Materials, buyback/drop-off materials, yard trimmings and wood waste.

The four revenue sources identified above are expected to cover ANY AND ALL of the selected Contractor's expenses including receipt, processing, marketing, transportation and transfer of all materials as well as associated administration and other costs. No other form of compensation, with the exception of reimbursement for replacement parts for City-owned equipment, and costs related to the proper management of intercepted hazardous waste, will be provided to the selected Contractor. The City pays fees and charges for disposal of all materials delivered to the Kirby Canyon Landfill. The selected Contractor will be required to provide the City with copies of daily weight tickets.

1.1.5 Proposal Forms

Proposers shall complete and submit each of the proposal forms included in Appendix B. These Proposal Forms must contain a sufficient level of detail to allow adequate evaluation on

a technical, environmental, and financial basis by the selection team. Proposals are expected to include details on materials handling, materials recovery, sale of recyclable materials, hauling techniques, operational performance assurance, and equipment costs and staffing requirements.

1.1.6 Operating Agreement

A copy of the operating agreement is included in this RFP as Appendix C, and is referred to throughout this document as "the Agreement." The selected Proposer must be prepared to immediately execute the Agreement once the contract is awarded to it by the Sunnyvale City Council. City does not intend to engage in post-award negotiations. City staff will present to the Sunnyvale City Council two or more fully-negotiated and signed Agreements for the Council to select from. The RFP summarizes many of the key requirements that are detailed in the Agreement. The RFP does not describe all provisions of the Agreement, but serves as a directory to appropriate sections of the Agreement. Proposers are required to read the Agreement in Appendix C very carefully and to have it reviewed by their own attorneys prior to submitting their proposals. Proposers must note that some proposal forms will become part of the Agreement as Exhibits. Questions concerning the Agreement must be directed to the project coordinator as specified in Section 1.3.2 below.

1.1.7 Organization of Request for Proposals

This document is organized into the following sections:

- Section 2 provides general operational and financial information related to the SMaRT Station.
- Section 3 provides design information and a description of the SMaRT Station.
- Section 4 defines the minimum operation requirements for the SMaRT Station.
- Section 5 describes the proposed business and financial arrangements.
- Section 6 provides an outline of the information required in the proposal, the format in which it is to be submitted, and the general evaluation criteria that will be used to select the contractor.

1.2 GENERAL REQUIREMENTS

1.2.1 Electronic Submittal

Proposers shall submit an electronic version of its proposal and forms. The electronic version shall be submitted in the form of a CD-Rom (two copies total). This RFP contains electronic versions of the proposal forms in MS Word and MS Excel formats. Proposers shall submit

the electronic versions of these forms in the same format (MS Word or MS Excel) that they were provided.

1.2.2 Number of Copies

Proposers shall submit one (1) unbound single-sided original (signed) and ten (10) bound double-sided copies of the proposal package in its entirety, including all proposal forms, appendices, exhibits, and other requirements as specified herein.

Proposers must also include one (1) extra unbound copy of the proposal with any confidential material totally blacked out or removed from the text so that one copy can be made available for public inspection.

The proposal package shall be typed or printed (1-1/2 or double-spaced) on 8-1/2-by-11-inch recycled paper (minimum 30% post consumer content). Any oversize documents must be folded to size and secured in the proposal.

1.2.3 Signature and Authority

The proposal must be signed by an officer of the corporation, principal, partner, or other duly authorized person or persons with the authority to make the commitments required by this RFP. The signatures are to be provided as indicated on the proposal forms.

If the proposal is submitted by a partnership, the name and address of the partnership and a list of all partners,. If made by a corporation, the proposal must indicate the name, the state in which the corporation is incorporated, and the address and federal tax identification number of the corporation. If the proposal is made by a corporation, a certified copy of the appropriate section of the bylaws, or a resolution of the board of directors of the corporation, shall be furnished showing the authority of the officer who has signed the proposal and proposal forms to execute contracts on behalf of the corporation. If the proposal is made by a joint venture, a copy of the joint venture agreement, and the name, address, and organizational status of each of the joint ventures must be provided. Where a joint venture is composed of one or more partnerships, corporations, or other entities, the information specified in this paragraph must be provided for each entity. Each proposal form submitted by a joint venture must be signed by at least one authorized officer from each party in the joint venture agreement.

In proposals containing proprietary information, proprietary paragraphs and/or other data must be clearly marked as noted below in Sections 1.2.4 and 1.2.5.

1.2.4 Cost for Preparation of Proposals/Ownership of Proposals

Each proposal submitted in response to this RFP shall be prepared at the sole cost and expense of the Proposer with the understanding that no claims against the City for

reimbursement will be accepted. All proposals will become the property of the City and will not be returned to the Proposer. The Proposer must not include confidential information or trade secrets without expressly stating and identifying the information or trade secrets to be considered confidential, since all accepted proposals will become public information. However, if such information is necessary to assure a competitive proposal, then the Proposer is to follow the guidelines for confidential information as discussed below.

1.2.5 Protection of Confidential Materials

Information submitted to the City by Proposers is subject to possible compulsory disclosure by the City upon request from a member of the public, under the California Public Records Act, Government Code Section 6250, et seq. The City recognizes that some information which is called for in the RFP, or which may be required to be submitted in subsequent stages of the evaluation and contracting process, may be considered trade secrets or otherwise confidential by some Proposers. The City will protect the confidentiality of materials submitted to it to the extent permitted by the Public Records Act, in accordance with the procedures, and subject to the limitations, described in this section.

Material which Proposers wish to be treated in confidence and withheld from public disclosure must be submitted in a separate envelope marked "CONFIDENTIAL." In addition each page of confidential materials must be clearly marked as "CONFIDENTIAL." The City will not voluntarily disclose materials so marked to persons other than the Participating Agencies' officers, attorneys, employees, and consultants involved in evaluating the proposals received.

If the City receives a request from a third party to review and/or copy material so marked, it will inform the Proposer who submitted it and will allow the Proposer to present arguments and facts to the City in support of the position that the material is entitled to an exemption from disclosure under the Public Records Act and should not be released.

If the City determines that the material is not entitled to an exemption and that it must be released, the City will advise the Proposer of that determination prior to releasing the material so that the Proposer may seek a court order enjoining its release.

If the City determines that the material is entitled to an exemption, and the person who requested the information files a legal action seeking its release, the City will advise the Proposer and will not oppose a motion by the Proposer to intervene in the action. The Proposer must either intervene or agree to pay the City's legal expenses in defending the action; otherwise the City will have no obligation to affirmatively defend the action and may release the information sought without any liability whatsoever to the City.

No proposer will seek damages against the City or recovery of its attorneys' fees from the City, as a result of any dispute related to the release of information submitted in response to

this RFP, whether the Proposer is seeking release of another Proposer's information or is opposing a third party's request for release of its material.

Material that has been marked as confidential will be returned to all unsuccessful Proposers once a contract has been signed with the selected Proposer.

By submitting a proposal, Proposers agree to all the foregoing provisions.

Proposers may not designate Proposal Forms 1, 11, 12, and 13 (Transmittal letter, Annual Operating Cost, Annual Contractor's Payment and Tipping Fees for Excess Tonnage) as confidential. If these forms are designated as confidential by a Proposer, the proposal will be considered non-responsive.

1.2.6 Rights Reserved by the City

The City reserves the right, in its sole discretion, to pursue any or all of the following actions in regard to this RFP:

- Issue addenda to the RFP.
- Request additional information and/or clarification from the Proposers.
- Permit the timely correction of errors, and waive minor deviations.
- Reject any or all proposals.
- Issue subsequent RFPs based on refinements of concepts proposed in response to the RFP.
- Withdraw this RFP.
- Extend the time for submittal of Proposals.
- Negotiate prices and terms with one or more Proposers.
- Select the Proposer that, in the judgment of the City Council and any evaluation process notwithstanding, is most likely to succeed in developing the project desired by the City.
- Take whatever other action it deems in its interest.

This RFP does not obligate the City to accept any proposal, negotiate with any Proposer, award a contract, or proceed with the development of any project described in response to this RFP.

1.2.7 Communications Guidelines

In order ensure a fair and orderly process, Council has adopted the following communications guidelines to be adhered to during this RFP process.

Proposers shall:

- Submit a statement of interest in the RFP;
- Sign a statement agreeing to the communication guidelines;
- Attend a mandatory pre-proposal meeting and facility tour (per Section 1.3.1);
- Direct all questions and communications regarding the RFP in writing to one designated City representative (per section 1.3.2);
- Be prohibited from distribution of door-to-door materials, and newspaper, radio, television and public space advertisements in regards to this RFP process;
- Be prohibited from meeting individually with the Mayor or any individual Councilmember during the RFP process.

Proposers who do not comply with the communications guidelines will be disqualified and cannot be selected to enter into the Operating Agreement with the City.

The Mayor and Councilmembers shall:

- Notify the City Manager of any potential conflicts of interest
- Include another Councilmember and a member of City staff (to be designated by the City Manager) in any non-public meetings between proposers and Councilmembers, and should listen to but not make commitments to proposers in such meetings.

1.3 GENERAL INFORMATION

1.3.1 Pre-proposal Meetings

Two MANDATORY pre-proposal meetings will be held. The first will be on June 8, 2006, at 10 a.m. at the SMaRT Station, 301 Carl Road in Sunnyvale, and will include a tour of the facility. At that time, questions will be answered. A second meeting will be held in the West Conference Room, Sunnyvale City Hall, 456 W. Olive Avenue in Sunnyvale on June 15, 2006, at 10 a.m. The City is not responsible for dissemination of information to those not present at the pre-proposal meetings.

All questions submitted in writing, or asked at the pre-proposal meetings, will be responded to in writing by the City. Proposers are encouraged to submit written questions prior to each pre-proposal meeting. No written questions will be accepted after July 7, 2006. Only published

minutes from the pre-proposal meetings and other written addenda may be relied upon when seeking clarification of the requirements stated in the RFP.

1.3.2 Project Coordinator / Point of Contact

Proposers shall direct all questions regarding this RFP to the project coordinator. This will assure that consistent and accurate information is disseminated. The project coordinator is:

David Gakle
Senior Buyer
Sunnyvale City Hall Annex
650 W. Olive Avenue
P.O. Box 3707
Sunnyvale, California 94088-3707
Telephone: (408) 730-7303
Fax: (408) 730-7710
E-mail: dgakle@ci.sunnyvale.ca.us

Mr Gakle will distribute any RFP Addenda and clarifications concurrently to all parties who have submitted statements of interest in the process.

The City has established an internet site for the purpose of disseminating information to, and receiving information from, potential proposers. All questions from proposers, City responses to those questions, and any amendments or clarifications to the RFP will be posted on this site. The site addresses is [www. \[DAK: City to provide information.\]](http://www.dak.ci.sunnyvale.ca.us)

1.3.3 Submission Deadline and Address

Sealed proposals shall be received no later than 3:00 p.m. on August 1, 2006, addressed as follows:

David Gakle
Senior Buyer
Sunnyvale City Hall Annex
650 W. Olive Avenue
P.O. Box 3707
Sunnyvale, California 94088-3707
Re: SMaRT Station

Proposals may be 1) hand delivered to 650 W. Olive Avenue; or 2) mailed to P.O. Box 3707. Proposals received later than the above-mentioned deadline will be returned unopened to the Proposers, and those Proposers will be eliminated from the procurement process. If interviews with Proposers are desired by the City, it is anticipated that they will be held on August 28 and 29, 2006.

SECTION 2. GENERAL INFORMATION

2.1 BACKGROUND

The cities of Mountain View, Palo Alto and Sunnyvale require the ongoing operation of a transfer station/materials recovery facility as part of a solution to near and long-term solid waste disposal needs. The SMaRT Station is intended to satisfy that requirement.

The SMaRT Station is located on a City-owned site adjacent to the closed Sunnyvale Landfill, the Sunnyvale Water Pollution Control Plant (WPCP), and San Francisco Bay (Please refer to Figures A-1 and A-2 in Appendix A). The City of Sunnyvale owns the site. Other operations adjacent to the site include the County Household Hazardous Waste Drop-off event site, and Raisch Products Concrete and Asphalt Recycling Operations. Nearby land uses also include the Sunnyvale Baylands Park and office /industrial park complexes.

Non-diverted MSW from the SMaRT Station is transferred to the Kirby Canyon Landfill. The Participating Agencies have contracted with Waste Management of North America for long-term-disposal capacity at the Kirby Canyon Landfill. The Kirby Canyon Landfill is located in south San Jose, California, approximately 27 miles from the SMaRT Station at the Coyote Creek Golf Drive exit off Highway 101. The Memorandum of Understanding (MOU) among the Participating Agencies regarding the use, operation and business arrangements between the SMaRT Station and Kirby Canyon Landfill is presented in Appendix D.

2.2 TONNAGE / FINANCIAL DATA

2.2.1 MSW and Source-Separated Yard Trimmings Tonnage Data

Table 2-1 provides a summary of MSW and yard trimmings tonnage processed and diverted at the SMaRT Station for FY 2000/01 through FY 2004/05.

Note that in addition to the materials it currently delivers to the SMaRT Station, the City of Palo Alto also delivers approximately 25,000 tons per year of MSW and 16,000 tons per year of yard trimmings to its municipally owned landfill/composting facility. Palo Alto's landfill and composting facility are scheduled to close in 2011. Should the City of Palo Alto choose to send any of these tons to the SMaRT Station in the future, and should this result in more than 290,000 total franchised tons of MSW and yard trimmings being delivered to the SMaRT Station in any given year, then the selected Contractor would be compensated per the Tipping Fees for Excess Tons.

2.2.2 Recyclable Materials Processing – Commodity Tonnage

Table 2-2 provides a summary of tonnage data (by material type) of commodities recovered from the City of Sunnyvale and the City of Mountain View's residential curbside and multi-family recycling programs, and the City of Mountain View's single-stream commercial recycling program for fiscal years 2001/02 through 2004/05. The City of Palo Alto is not expected to bring its source-separated recyclables to the SMaRT Station for processing at this time.

The City of Mountain View offers recycling services at no charge to business customers. Businesses can choose from two different types of recycling containers: wheeled carts or bins. Bins are used for large amounts of recycling such as cardboard or mixed recyclables (paper, glass bottles and jars, metal cans, and plastic containers #1 through #7). Carts are used where space is limited or for small amounts of recycling. Bins come in different sizes to match customer needs. Note that in addition to this service provided by Mountain View's franchised hauler, independent recyclers may collect materials from businesses in Mountain View, Palo Alto, and Sunnyvale subject to those cities' requirements.

2.2.3 MSW Processing – Commodity Tonnage

Table 2-3 provides a summary of outbound tonnage data (by material) for commodities recovered from MSW by the SMaRT Station in fiscal years 2001/02 through 2004/05. This tonnage also includes approximately 10 tons per month of source separated recyclable materials accepted at the SMaRT Station buyback/drop-off center.

Table 2-1
SMaRT Station Operations and Financial Information
 By Fiscal Year (July-
 June

OPERATIONAL INFORMATION	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	Average
Participating Agencies' Franchised MSW (1):	226,002	217,892	214,208	209,450	216,888
Publicly Hauled MSW:	7,625	6,746	5,988	5,856	6,554
Total MSW Delivered	233,627	224,639	220,196	215,305	223,442
Total Tons Yard Trimmings Delivered:	20,613	22,679	22,258	22,993	22,136
TOTAL Tons MSW & Yard Trimmings Delivered	254,240	247,318	242,454	238,298	245,578
Total Tons Recyclable Materials Tons Delivered	18,207	20,241	20,915	20,020	19,846
Tons to Landfill	193,521	178,191	179,900	176,098	181,927
MSW Recovery Rate (2)	17.17%	20.68%	18.30%	18.21%	18.58%
(1) MSW = Municipal Solid Waste					
(2) (Total MSW Delivered to SMaRT - Tons to Kirby)/(Tons Delivered to SMaRT) Basis for determining Contractor's share of recyclables revenue.					
FINANCIAL INFORMATION	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	Average
Contractor Revenues					
Contractor's Payment	\$ 5,568,657	\$ 5,542,759	\$ 5,571,137	\$ 5,504,239	\$ 5,546,673
Share of Recyclables Revenue	\$ 1,705,848	\$ 2,388,604	\$ 2,884,212	\$ 3,383,227	\$ 2,590,473
Share of Public User Fee Revenue	\$ 101,664	\$ 109,427	\$ 107,316	\$ 111,424	\$ 107,458
Total	\$ 1,807,512	\$ 2,498,031	\$ 2,991,527	\$ 3,494,651	\$ 2,697,930
Reimbursements from City to Operator					
Spare Parts	\$ 153,912	\$ 247,718	\$ 315,131	\$ 286,147	\$ 250,727
Hazardous Waste Transportation and Disposal	\$ 83,786	\$ 91,171	\$ 102,260	\$ 130,826	\$ 102,011
Total	\$ 237,698	\$ 338,889	\$ 417,391	\$ 416,973	\$ 352,738

Table 2-2
Recyclable Materials Processing – Commodity Tonnage*

	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>Totals</u>
<u>Market Value Commodities</u>					
Aluminum UBC	104	120	111	90	425
Corrugated Cardboard (occ)	2,268	2,409	2,912	3,417	11,006
Glass, amber	206	255	236	230	927
Glass, flint	500	587	499	528	2,113
Glass, green	431	537	541	557	2,066
Glass, mixed	1,912	1,959	1,818	687	6,376
HDPE--Colored (Epic Mix)	307	391	368	472	1,538
Mixed Paper (mxd)	4,528	5,202	5,857	4,941	20,528
Old Newspaper (onp)	6,679	6,765	6,291	6,382	26,117
PET	263	358	332	380	1,332
Tin Cans (baled)	389	426	395	361	1,572
Tons Shipped - Mkt Value Commodities	17,587	19,008	19,361	18,044	74,000

*Curbside, Multi-family, and Commercial recyclables from Sunnyvale and Mountain View

Table 2-3
MSW Processing – Commodity Tonnage*

	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>Totals</u>
Aluminum UBC	102	76	70	89	337
Concrete	4,010	3,079	3,044	2,908	13,041
Corrugated Cardboard (occ)	2,846	2,921	3,114	2,814	11,695
Glass, amber	66	62	3,114	90	3,332
Glass, flint	134	117	233	332	816
Glass, green	102	82	88	224	496
Glass, mixed	171	103	(338)	174	111
HDPE--Colored (Epic Mix)	89	256	274	348	967
HDPE--Natural	45	-	-	-	45
Mixed Paper (mxd)	10,974	9,341	5,357	8,744	34,416
Mixed Plastics 3-7/Plastic Film	63	100	7	34	205
Office Pack	128	-	-	-	128
Old Newspaper (onp)	223	(30)	32	0	225
PETE	177	109	286	229	802
Scrap steel	5,728	5,057	5,086	4,867	20,739
Tin Cans (baled)	(179)	257	226	227	532
Wood Overs	2,025	5,897	3,255	3,217	14,395
Foodwaste fines	581	4,652	3,565	5,094	13,893
Clean Dirt	245	2,211	1,157	1,661	5,274
CRTs / Monitors	33	61	67	46	207
Green Materials (1)	5,345	3,164	2,552	5,413	16,474
Tires	27	128	94	66	316
Water	80	80	58	92	310
Hazardous/Universal Wastes	250	250	188	176	865
Total	33,265	37,973	31,532	36,847	139,618

Calculation of Green Materials Recovered from MSW

Yardwaste Shipped	25,958	25,843	24,811	28,406	105,017
Yardwaste In	20,613	22,679	22,258	22,993	88,543
Difference - Recovered from MSW (1)	5,345	3,164	2,552	5,413	16,474

*Commodities recovered from MSW

2.3 WASTE COMPOSITION DATA

The City of Palo Alto conducted a waste composition study of the outbound residue from the SMaRT Station in November 2005. A summary of the results from this study is provided in Appendix E.

In addition, a summary of the results of the most recent waste composition study for the SMaRT Station incoming waste stream is provided in Appendix E. This study involved field analyses conducted from August 15, 1995 through September 1, 1995. A complete copy of this study is available for review at the City of Sunnyvale's offices. It should be noted that the City of Mountain View and the City of Sunnyvale multi-family recycling programs were implemented after this study was conducted.

2.4 OTHER AVAILABLE DATA

A computer disk containing the following additional operational and financial information for the SMaRT Station for fiscal years 2000/01 through 2004/05 is provided as an attachment of this RFP.

Monthly Tonnage Reports [SMaRT_Tonnage_Report.xls]

Monthly Diversion Reports

SMaRT Station Contractor's Cost Allocation Report

SMaRT Station Commodity Shipped Data [SMaRT_Commodity_RPT.xls]

Replacement Parts Costs

Hazardous Waste Transportation and Disposal Costs

2.5 FINAL ENVIRONMENTAL IMPACT REPORT

The Final Environmental Impact Report (FEIR) for the SMaRT Station project was completed and certified by the City of Sunnyvale in 1990, based on a conceptual design of the facility. An addendum to the FEIR was completed to reflect the final design of the facility. The selected Contractor will be required to comply with various mitigation measures adopted by the City Council when the FEIR was certified. Copies of the FEIR and Addendum are available from the City of Sunnyvale.

SECTION 3. DESIGN AND DESCRIPTION OF THE SMART STATION

3.1 SMaRT STATION DESIGN

3.1.1 SMaRT Station Capacity

The SMaRT Station is a 100,000 square foot mixed waste processing/transfer station facility with a design and permitted capacity of 1,500 tons per day (tpd) (5 days per week). The SMaRT Station contains two separate sorting operations:

- MSW processing lines, for recovery of commodities from mixed MSW delivered by the Participating Agencies.
- Recyclable Materials processing lines, for processing of source separated recyclables received from curbside, multi-family and commercial programs in Sunnyvale and Mountain View.

Note that the SMaRT Station is currently in the process of re-designing and replacing its MSW processing equipment. The new equipment is scheduled to be completely installed before the beginning of the Agreement (January 1, 2008).

3.1.2 Principal SMaRT Station Features

Principal features provided in the SMaRT Station include:

- Waste tipping floor
- Enclosed hazardous waste storage container
- Maintenance area
- MSW compactor/transfer trailer loading areas
- Trailer staging area
- Two MSW processing lines
- Recyclable Materials unloading and processing area and scale
- Two Recyclable Materials sorting lines
- Recyclable Materials buyback/drop-off center
- Consolidation and storage area for recovered materials
- Wood and yard trimmings processing and storage area
- Office and visitor center
- Entrance facility, including gate house, pay booths and scales
- Parking for employees and visitors

A series of SMaRT Station design drawings are presented in Appendix A. Specifically, the drawings illustrate the following: [DAK per DS add info on new equipment/processing lines.]

- Site General Arrangement (Figure A-3).
- Building General Arrangement (Figure A-4).
- Mass Flow Diagram (Figure A-5).
- MSW Processing Equipment General Arrangement (90% drawings) [DAK: need drawings] (Figure A-6).
- Source Separated Recyclables Processing Equipment General Arrangement (A-7).
- Architectural Main Building Exterior Elevations (Figure A-8).
- Utilities Plan (Figure A-9).

3.1.3 Tipping Operations

1. City- Designated Hauler Tipping Operations

Residential, commercial, and industrial haulers are directed by traffic control signs along the access road and an overhead sign, located at the entrance to the two inbound scales. Vehicle weight data (e.g., truck number, tare weight, gross vehicle weight, net load weight) is entered and total price per load calculated by the SMaRT Station's scale software system. The driver then receives a weight ticket prior to being allowed to proceed onto the tipping floor.

From the gatehouse, vehicles proceed to the SMaRT Station (either the main MSW processing building, Recyclable Materials processing area, or the yard/wood trimmings processing area). Upon arrival at the tipping floor, vehicles are directed by traffic controllers onto several areas of the tipping floor depending on the type of waste carried. Under the instruction from the traffic controllers the collection vehicle driver unloads the contents of the collection vehicles directly onto the tipping floor. After unloading, the collection vehicles follow established routes and exit the processing facility to resume regular route collection activities. Determination of recovery potential of a load is made at the tipping floor or by pre-arrangement with the hauler. Those few loads that are not acceptable for processing are directed to tip adjacent to the MSW compactor.

2. Public Haul Tipping Operations

The public is directed to the SMaRT Station by traffic signs, and an overhead directional sign on the access road to the scale house at the entrance to the facility. Public customers are charged at the entrance gate according to weight or volume and type of materials being delivered. Public vehicles are then

directed to the public haul tipping area on the tipping floor, or if they contain only source-separated wood or yard trimmings, the unloading area in the wood/yard trimming processing area. After unloading, the public vehicles follow established routes to exit the SMaRT Station.

Public haul vehicles entering the main processing building are directed by a spotter to the public tipping area where the customer unloads the MSW on the floor. Large, easily salvageable commodities unloaded on the public tipping area are pulled from the load by a team of sorters and placed in appropriate bins for storage prior to mixing with like materials for marketing. The remaining material is pushed by a wheel loader to the appropriate section of the main tipping floor, and either joined with MSW to be processed or with sorted MSW awaiting transfer to the landfill.

3.1.4 MSW Processing Operations

1. Floor Sorting of Materials from Commercial and Industrial Loads

MSW processing starts on the tipping floor, where the following materials are separated from the remaining waste stream: white goods, bulky commercial wastes, batteries, tires, bulk ferrous metals, wood, and yard trimmings. Additionally, certain construction and demolition wastes, such as asphalt, concrete, drywall and metals are separated out for recycling. Effective floor sorting aids in the overall efficiency of the materials recovery process.

The selected contractor shall utilize floor sorting to identify and remove banned, hazardous, and universal wastes that may not be delivered to any Class III landfill (in accordance with current and future regulations).

Banned wastes include tires and large appliances. Costs for processing, and/or disposal of these wastes is the responsibility of the contractor, and will not be reimbursed by the City. Revenues from recycling, or costs to recycle these materials will be shared in accordance Article 5 of the operating agreement.

Hazardous and Universal Wastes discovered while performing load checks, or otherwise discovered during processing must also be removed from the waste by the Contractor. These materials will be removed by the contractor to the proper storage area and contractor will arrange for proper recycling or disposal. Costs for recycling or disposal of hazardous wastes and universal wastes will be reimbursed by the City. Revenues generated from the recycling of universal wastes (such as payment received under SB 20 for recycling of covered electronic devices) will be shared in accordance with Article 5 of the operating

agreement. The City shall designate the selected contractor as an authorized collector for the purpose of receiving SB20 payments.

After visual inspection and removal of any targeted floor-sort materials, the remaining material is moved by wheel loaders to one of two walking floor conveyors that feed the MSW processing lines.

2. Line Sorting of MSW [DAK: City to provide description of new equipment]

3.1.5 Transfer Operations

Residual waste from the materials recovery operations, and materials that are moved directly to the transfer loadout operations are compacted into "slugs" and loaded into transfer trailers. The compactor infeed conveyor and compactor are capable of loading 72 tons of material per hour into transfer trailers. Once compacted, this material is delivered to Kirby Canyon Landfill. Trailers delivering loads to the landfill operate in accordance with the limitations on their hours of operation specified in Section 3.03 and Section 4.01 of the Agreement. A top loading conveyor has also been included in the event that the compactor and/or compactor infeed conveyor are not working and solid waste must be loaded by conveyor into open top transfer vehicles. The transfer trailers must have the ability to be loaded from the rear (by compactor) or from the top by conveyor, and emptied without the aid of a tipper.

3.1.6 Recyclable Materials Processing Operations

Source-separated curbside, multi-family and commercial recyclables collected in the cities of Sunnyvale and Mountain View are processed in the Recyclable Materials processing area of the SMaRT Station. The Recyclable Materials processing area includes an in-ground scale equipped with a card reader system for tracking of material weights. The Recyclable Materials processing system includes two processing lines, one for fiber sorting and another for commingled rigid containers. Dual stream materials are dumped in designated tipping areas adjacent to the processing lines and moved to conveyors with a small wheel loader. Materials are sorted mechanically and manually into bunkers or hoppers and stored until baled. Glass is dropped through chutes into 6-yard containers.

3.1.7 Wood and Yard Trimmings Processing

Materials which will be directed to the wood and yard trimmings processing area include grass, leaves, garden waste, plant pruning, tree trimmings and untreated timber products (lumber, pallets and similar wood products). Incoming vehicles containing clean, source-separated loads of these materials are routed directly to the wood and yard trimmings processing area to unload their materials. The same materials removed from industrial, and commercial and residential mixed loads on the MSW tipping floor will be moved by the selected Contractor from the tipping floor to the wood and yard trimmings processing

building for grinding. Building demolition debris may not be processed in the wood and yard trimmings processing area.

At the wood and yard trimmings processing area, the vehicles are directed into the tipping area by a traffic spotter to discharge their materials. Loads will be inspected on the floor for end-market contaminants including materials that may damage the equipment (such as large metal objects, dirt and rock). Contaminants are removed, and directed back onto the MSW tipping floor for disposal at the landfill. Loads that are heavily contaminated may be directed to the MSW tipping floor for further sorting or disposal.

Clean materials are shredded with a hammermill-type shredder. Following shredding, the materials are fed onto a conveyor and passed under a magnetic crossbelt conveyor, for removal of small pieces of ferrous metal, such as nails. The smaller materials (fines) are separated from the larger materials (overs) using a vibratory screen.

Yard trimmings overs, fines and wood overs are separated and bulked outside the west-end of the wood processing building. Wood overs are sent to market as a fuel product or for other uses. The yard trimming overs and fines will be used as feedstock for compost, mulch, and bulking agent for sludge composting operations or other purpose acceptable to the City.

3.1.8 Buyback/drop-off Center

A buyback /drop-off center is also part of the SMaRT Station and is located on the south side of the facility. The goal of the center is to allow the general public an opportunity to recycle their own material and receive market prices for those materials of value. The center, including parking, is 12,000 square feet in size and is designed to handle approximately 40 vehicles per hour. The buyback center is certified to redeem California Redemption Value materials and the drop-off area is set up to accept a variety of materials that are listed in Section 4.2.6 of this RFP.

3.1.9 Hazardous Waste Storage Area

The SMaRT Station is not designed nor permitted to accept hazardous wastes of any kind. However, during the course of normal operation it is anticipated that some hazardous materials will be found during screening of random loads required by the Hazardous Waste Exclusion Program (HWEP), and thereafter in processing operations. Hazardous material found through the HWEP and any other hazardous material discovered at the facility will be stored in a hazardous materials storage container, located in the southeast corner of the facility. The storage container is 600 square feet in size, and double contained.

3.1.10 Offices and Visitor Center

The SMaRT Station includes administrative offices and a visitor center. The offices and visitor center are 6,000 square feet in size and are located at the west end of the facility. This building includes a lobby and reception area, office area, restrooms, orientation/training room, shower and locker rooms and a break room.

The City has exclusive use of approximately 675 square feet of office space at in the office/visitor center for approximately six employees. The selected contractor will provide, at no cost to the city, utilities (with the exception of telephone service), and janitorial and building maintenance services to this portion of the office/visitor center. The City will provide at its expense, telephones and other communications equipment, furniture, computers office supplies and moveable partitions. The City has plans to expand the office building by square feet in 2008.

3.1.11 Scale House

The facility's entrance includes a scale house and two inbound truck scales where public haul fees are collected and hauler vehicles are weighed and recorded. A third scale is located in the outbound lane to weigh all outbound loads and certain empty vehicles for which tare weights are not used. The scale house will be operated by the selected Contractor. The scale house has two fee windows for MSW collection vehicles. An additional booth is available for use for the general public, but has not been used for that purpose to date. The selected contractor is required to furnish a portable emergency generator for use at the scale house in the event of a power outage.

3.1.12 Radiation Monitors

Two sets of radiation monitors are located at the inbound lanes to the scales. These monitors operate 24/7 and require minimal operator interaction. The monitors are connected to electronics inside the scale house which provide information regarding the system status and additional information in the event of an alarm. Information regarding the radiation detection program at the SMaRT Station is located in Exhibit _____ to the operating agreement.

3.1.13 Facility Parking and Vehicle Maintenance

The facility has parking on the west side for visitors and employees. There is additional employee parking on the south side of the facility. The selected contractor may park empty transfer vehicles in the fenced and paved operational area of the SMaRT Station, which does not include the office parking lot. The facility has a vehicle maintenance area that is 2,000 square feet in size and is located on the north side of the main building. This facility is designed for repairing and maintaining rolling stock (loaders, forklifts, scissors lifts) only and is not designed for maintaining stationary equipment or transfer vehicles.

3.1.14 Other Facility Amenities

The SMaRT Station is equipped with an overhead sprinkler system and fire suppression equipment. Sanitary facilities are located in the administration building and in the main building near the compactor. The administration building includes locker rooms with showers for employees and a break room. The SMaRT Station is double plumbed. Potable water is used in the washroom basins, drinking fountains and the wash down hoses on the tipping floor, while the toilets and the facility's landscape irrigation system use recycled water.

3.1.15 Electrical Requirements

The facility includes a 1500 KV transformer with an installed motor horsepower at 480 volt, three phase 1505 HP. The following are the basic electrical requirements to determine the costs associated with electrical power usage.

Transfer truck compactor	230 HP
Wood waste area	500 HP
Process sort lines	700 HP [DAK: City to verify]
Exhaust fans	75 HP
Total	1505 HP
Top load conveyor	200 HP
480 volt HID lighting	95 KW
480 – 120/208v transformers	285 KV

Notes:

1. Motor full loaded demand estimate = 60-70%
2. 120/208V transformer demand will vary and could be as low as 60%.

In the event that power from PG&E is not available the facility also has a 400 volt 1500 KW emergency generator (auto-start) which provides enough power to run the lights and compactor load out area. The selected Contractor is required to maintain a smaller generator to provide power to the scale house in the event of a power outage.

3.1.16 Wastewater Discharge Requirements

Process water generated at the SMaRT Station cannot be discharged to the sanitary sewer due to its physical/chemical characteristics. The selected Contractor will be responsible for the proper management of all process water generated at the SMaRT Station, and all associated costs. Water from the tipping floor, conveyor pits and MRF area is accumulated in a sump near the compactor. From there the wastewater is pumped into a holding tank and then into

tanker trucks and hauled off-site for treatment. Historical information related to the profile and quantities of wastewater generated at the facility is provided in Appendix F.

3.2 STATIONARY EQUIPMENT

The SMaRT Station is equipped with stationary equipment that the City owns. It will be the selected Contractor's responsibility to maintain this equipment as described in Section 3.09 and Exhibit J of the Agreement. Figures A-6 and A-7 in Appendix A detail where stationary equipment is located. The stationary equipment to be provided by the City, along with an overview of that equipment, is listed in Appendix H of this RFP.

The City is currently working on a project to re-design the MRF and install new equipment. The selected contractor will be required to maintain this new MRF equipment which will be added to Exhibit H-1 of the Agreement. A detailed list of the new equipment will not be available until after August 1, 2006. The 90% design drawings for the new MRF equipment is shown in Figure of this RFP.

SECTION 4. SMaRT STATION OPERATION

It is the selected Contractor's responsibility to operate the facility in accordance with the Agreement with the City. The minimum SMaRT Station operating requirements are listed below. References are made to the corresponding sections of the Agreement which provide specific detail for each requirement.

4.1 GENERAL OPERATIONS

4.1.1 Operating Hours

The selected Contractor will operate the facility during the hours specified in Section 3.03 of the Agreement.

4.1.2 Facility Personnel

The selected Contractor will staff the facility with qualified personnel to perform the work as specified in Section 3.10 of the Agreement. Proposers must list the number of employees when completing Proposal Form 7. The current number of employees, by job classification and wage rate, is included in the CD-Rom Attachments. These attachments also include an estimate of the number of employees that will be needed to operate the new MSW processing equipment.

4.1.3 Facility Personnel - Prevailing Wages

The selected Contractor shall pay its drivers, maintenance workers, laborers, sorters, and shop employees wages and benefits per Section 3.10 of the Agreement.

4.1.4 Facility Personnel Training and Safety

The selected Contractor will be responsible for training personnel on how to operate and maintain the facility and its equipment, and on health and safety procedures. Each proposal must include a description of the safety training programs, health and safety manual, and other components of the Proposer's health and safety program including emergency procedures for operating the facility. Hazardous material handling procedures must also be included. See Proposal Form 9.

4.1.5 Permits and Regulations

Appendix H contains a list of all current permits necessary for operation of the SMaRT Station. If new operating permits and approvals (or amendments to the permits and approvals

obtained by the City) become necessary during the term of the Agreement by virtue of the selected Contractor's operations it will be the responsibility of the selected Contractor to obtain them. The City will assist the selected Contractor in obtaining them, provided that the operations that give rise to the need for them are in compliance with the Agreement (See Section 3.06 of the Agreement). Permits are available for review at the City's offices.

4.1.6 Transfer/Processing Report

A copy of the Processing/Transfer Report for the SMaRT Station is provided in Appendix I. The transfer processing report describes and/or restricts the operation under the Solid Waste Facility Permit (SWFP) issued by the California Integrated Waste Management Board.

4.2 MATERIAL PROCESSING OPERATIONS

4.2.1 General

The selected Contractor is required to receive, process, and transfer the Participating Agencies' MSW and source-separated recyclable materials. The selected Contractor will accept and/or process the following materials within the facility:

- MSW
- Special Waste (e.g. tires, mattresses, refrigerators, etc.) check for definition and under 3.1.4.
- Universal Wastes (e.g. used motor oil, CRTs, Universal Waste Electronic Devices, Consumer Electronic Devices, fluorescent lamps, batteries)
- Source-separated Recyclable Materials
- Source-separated wood and yard trimmings
- Recyclable Materials brought to the buyback/drop-off center

The selected Contractor will be responsible for transferring unrecovered MSW to the Kirby Canyon Landfill and marketing and transporting recovered recyclable materials to acceptable recyclers, processors or end users in accordance with Section 4.01 of the Agreement. Figure 4-1 presents a diagram of material flow to and from the SMaRT Station.

The selected Contractor will be responsible for removing and arranging for the proper disposal or recycling of CFCs, compressor oils, and mercury switches from appliances recovered at the SMaRT Station at its own expense.

4.2.2 MSW Processing

The selected Contractor will employ its best efforts to recover and divert the maximum quantity of recyclable materials from the franchised and publicly hauled MSW accepted at the facility. The selected Contractor will not be required to process every load of MSW delivered to the SMaRT Station. However, the selected Contractor must maintain at least the minimum MSW recycling rate of 17.5% in accordance with Section 3.05B of the Agreement.

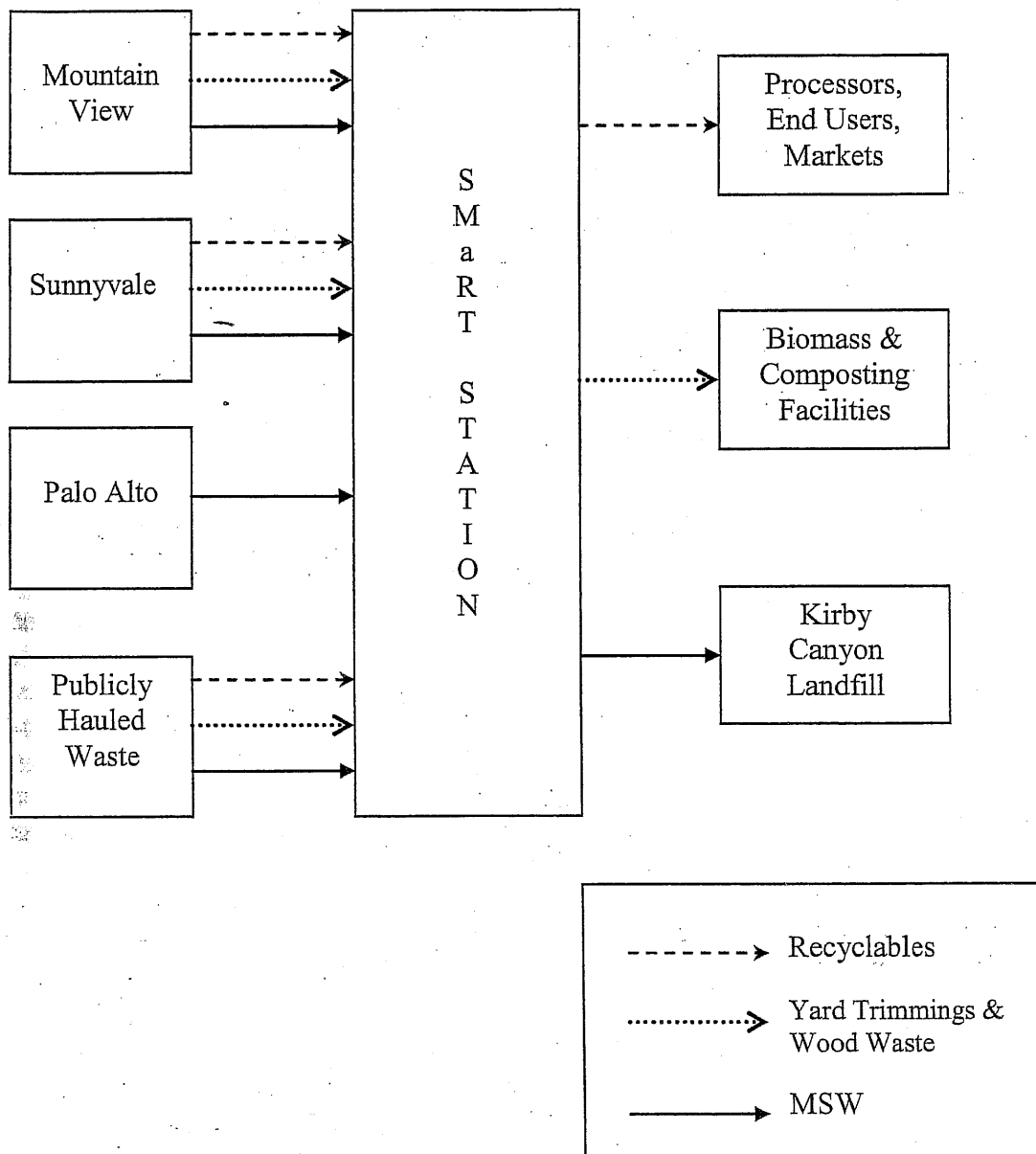
The selected Contractor is required to accept and store wood and yard trimming materials from the tipping floor including tree trimmings, untreated wood roof shingles, lumber, pallets, similar timber products, and compostable materials. Processing of this material will be done onsite in a designated area.

4.2.3 MSW Processing Equipment

The City is currently preparing to install new MSW processing equipment. The design and plans are 90% complete. Plans (90% complete) for the equipment are included as Figure A-6. Descriptions and specifications for the equipment, based on the 90% complete design, are included in Appendix G.

It is the intention of the City to have the new equipment installed before the Agreement takes effect on January 1, 2008. All Proposers are required to submit an alternative annual Contractor's Payment to be utilized in the event that the MSW processing equipment is not installed when the Agreement takes effect. If the MSW processing equipment is not installed, the Contractor will not incur operating and maintenance costs related to that equipment. Furthermore, the Contractor may not be able to meet the minimum diversion requirement of 17.5%, and would therefore not receive a share of the recyclables revenue during that time. If this alternative annual Contractor's Payment is utilized, it will be pro-rated to the day that the MSW processing equipment is fully installed. In the event of a dispute regarding the date of installation, the City's Public Works Director shall have the sole authority to determine the exact date that the installation of the MSW processing equipment is complete, this determination shall not be unreasonable.

Figure 4-1
Material Flow Diagram for SMaRT Station



4.2.4 Delivery of MSW and Source-separated Materials

The following is a brief description of how each City currently collects MSW and recyclables. The Participating Agencies reserve the right to change their collection methods and/or the mixes of source separated materials delivered to the facility for processing.

Sunnyvale:

Residential solid waste is collected using side loaders, front loaders and rear loaders.

Commercial solid waste is collected using front loaders, compactors and debris boxes.

Yard trimmings are collected using side loaders and front loaders.

Single-family recyclables are collected using side-loaders with 2 compartments. Materials are delivered to the SMaRT Station in the following components: (1) newspaper, (2) mixed rigid containers (aluminum, tin glass and mixed plastic containers), (3) cardboard (4) motor oil and oil filters, and (5) household batteries. Materials are unloaded from the rear of the vehicle.

Multi-family recyclables are collected side-loaders with 2-compartments. Materials are delivered to the SMaRT Station in the following components: (1) newspaper, (2) mixed rigid containers, (3) motor oil and oil filters, and (4) household batteries. Materials are unloaded from the rear of the vehicle.

Mountain View:

Residential solid waste is collected in side-loader and rear-loader trucks.

Commercial solid waste is collected using front loaders, compactors and debris boxes.

Yard trimmings are collected using side loaders.

Single-family and multi-family recyclables are collected using rear-dump vehicles. Materials are delivered in the following components: (1) mixed paper, (2) mixed rigid containers, (3) cardboard, and (4) household batteries.

Mixed commercial recyclables are collected in front-loader vehicles, and are delivered to the SMaRT Station in a single stream of fiber and containers.

Palo Alto:

Residential solid waste is collected using front loaders.

Commercial solid waste stream is collected using front loaders, compactors and debris boxes.

Single-family and commercial recyclables are collected using rear-dump vehicles. If Palo Alto chooses at a later date to use the SMaRT Station for processing its curbside recyclables, materials would be delivered to the SMaRT Station in a single stream of mixed recyclables (e.g. newspaper, mixed paper, and mixed containers).

Yard trimmings are collected using front loaders.

4.2.5 Source-separated Recyclable Materials Processing (check definition in contract)

The selected Contractor will accept and process recyclable materials from the cities of Sunnyvale and Mountain View residential curbside, multi-family and commercial recycling programs and arrange for sale of the materials to acceptable recycling facilities, processors or end users as specified in Sections 3.05C and 3.16 of the Agreement. Recyclable materials currently collected include glass, tin and steel cans, aluminum cans, metal food trays, plastic bottles and containers, corrugated cardboard, mixed paper, newsprint, used motor oil and oil filters and household batteries. This material does not count towards the 17.5% minimum recycling guarantee.

The City of Palo Alto is not expected to bring its single stream curbside Recyclable Materials to the SMaRT Station for processing at this time. If, however, this material, or additional commercial recyclables from any of the Participating Agencies are delivered to the SMaRT Station in the future, the selected Contractor will be required to process this material, as directed by the City. Palo Alto's contract with its current recyclables collector and processor will expire July 1, 2009 unless extended.

Should the City of Palo Alto direct its Recyclable Materials to the SMaRT Station, the Contractor would be compensated in the same manner as for Recyclable Materials from the other Participating Agencies: The Contractor will receive no tipping fee for accepting and processing the Recyclable Materials. The Contractor will receive a share of the revenues from the sale of Recyclable Materials (sliding scale based on MSW recovery rate achieved by Contractor)

In addition, all Proposers are required to submit two sets of Tipping Fees for Excess Tonnage: One set that will be utilized in the event that Palo Alto's Recyclable Materials are directed to the SMaRT Station, and another set that will be utilized if Palo Alto's Recyclable Materials are not directed to the SMaRT Station. Because Palo Alto's Recyclable Materials will generate additional revenue for the Contractor, the City anticipates that the Tipping Fees for Excess Tonnage will be lower if the Palo Alto Recyclable Materials are directed to the SMaRT Station.

4.2.6 Buyback/Drop-off Center

The selected Contractor will operate a buyback/drop-off center that will accept the following materials:

- Newsprint
- Glass bottles, jars and other beverage containers

- Aluminum
- Metals
- Corrugated cardboard and Kraft paper
- High grade office paper
- Mixed paper
- Plastic containers 1--7
- Used motor oil from residential users
- Used automobile oil filters
- Anti-freeze
- Automotive batteries
- Household batteries
- Fluorescent light bulbs and tubes
- Household items containing mercury (e.g. thermometers and thermostats)
- Universal Waste Electronic Devices and Consumer Electronic Devices
- Any new California Redemption Value (CRV) containers designated by the State in the future
- Other materials as approved by the City

City and contractor will discuss the feasibility of providing reuse services at the drop-off area.

The selected Contractor will also provide, in the vicinity of the buyback/drop-off center, a City approved bin for drop off of “sharps” (needles, lancets, etc.) by members of the general public at no charge. The bin shall be designed with a chute, such that materials can be deposited, but cannot be removed from the chute. The selected Contractor will be responsible for arranging for disposal of the “sharps” at an appropriate facility approved by the City, and will be reimbursed for the cost of proper disposal by the City.

Material accepted at the buyback/drop-off center does not count towards the 17.5% minimum recycling guarantee. Certain materials accepted at the drop-off area may be limited to residential users as directed by the City.

4.2.7 Yard Trimmings and Wood Waste Processing

The selected Contractor will be expected to process the wood and yard trimmings collected by the cities of Sunnyvale and Mountain View residential yard trimmings programs. This

material does not count towards the 17.5% minimum recycling guarantee. The selected Contractor will also process wood and yard trimmings which are segregated from incoming loads of MSW through the use of the MSW processing lines. This material does count towards the 17.5% minimum recycling guarantee.

Source-separated wood and yard trimmings from the City of Palo Alto's residential collection program are not expected to be processed at the SMaRT Station at this time. If, however, this material is delivered to the SMaRT Station in the future, the selected Contractor will be required to process this material, as directed by the City. The City of Palo Alto currently generates 16,000 tons per year of source separated wood and yard trimmings. This material is processed at the City of Palo Alto's composting facility which is scheduled to close in 2011.

The selected Contractor shall ensure that all source separated yard trimmings and wood delivered to the SMaRT Station, and all yard trimmings and wood segregated from incoming loads of MSW, are diverted from landfill disposal. Yard trimmings and wood from the SMaRT Station may not be utilized as alternative daily cover or for any other "beneficial use" at a landfill. With prior written approval from the City of Sunnyvale, yard trimmings and wood waste from the SMaRT Station may be utilized as fuel at a traditional biomass facility in which clean, segregated, woody materials are used to generate electricity. Any composting facility utilized by the selected Contractor to process yard trimmings, wood, or other organic materials from the SMaRT Station must be approved of in advance, in writing, by the City of Sunnyvale. The City of Sunnyvale reserves the right to direct the selected Contractor to utilize a different composting facility given twelve months written notice.

The selected Contractor will bear the direct cost of diverting from landfill the yard trimmings, wood or other organics from the SMaRT Station. In the likely event that the selected Contractor must pay a third party to divert some or all of these organic materials, the cost of such payments will be treated as "negative recyclables revenue" and shall be shared with the SMaRT Cities as set forth in Section 5.2.3 of this RFP.

4.2.8 Transfer of Non-Recoverable Solid Waste

The SMaRT Station is designed to load non-recoverable solid waste into transfer vehicles by using a compactor. A top loading conveyor has also been included in the event that the compactor is not working and solid waste must be manually loaded into open top transfer vehicles.

4.3 TRANSFER VEHICLE LOGISTICS

4.3.1 Transfer Trailers

The SMaRT Station utilizes a compactor as the primary means of loading transfer vehicles. Therefore, the selected Contractor must purchase open top-walking floor transfer trailers that are capable of being loaded from both the rear by the facility's compactor, and/or top loaded using the facility's top load conveyor system.

4.3.2 Turnaround Time ---remove

The selected Contractor will comply with the vehicle turnaround times for weighing, unloading and exiting the SMaRT Station as specified in Section 3.12 of the Agreement.

4.3.3 Vehicle Weighing

The selected Contractor will maintain and operate scales at the SMaRT Station as specified in Section 3.13 of the Agreement. All outbound loads must be weighed. All outbound MSW loads must be weighed both as they leave SMaRT Station and as they enter the Kirby Canyon Landfill. The selected Contractor shall provide all hardware and software necessary to record all inbound and outbound loads at the SMaRT Station and to produce reports to the City in the required format. Examples of acceptable monthly Contractor reports are provided in Appendix K.

4.3.4 Vehicle Parking, Fueling & Maintenance and Cleaning

The SMaRT Station is not designed to allow for maintenance, fueling, and cleaning of transfer vehicles. The selected Contractor will be responsible for securing a location off-site to perform these functions. The selected Contractor may park empty transfer vehicles in the fenced and paved operations area of the SMaRT Station when not in use, however, maintenance, changing of fluids and cleaning of vehicles will not be permitted at this location as specified in Section 4.02 of the Agreement. All loaded/preloaded transfer trailers, containing MSW must be parked on the tipping floor so that any liquid from the MSW that leaks from the vehicle remains on the tipping floor.

4.4 EQUIPMENT AND FACILITY OPERATION AND MAINTENANCE

4.4.1 Equipment

The City owns all stationary equipment at the SMaRT Station such as conveyors, balers and densifiers. It will be the selected Contractor's responsibility to properly clean, maintain and

repair this equipment as described in Exhibit J of the Agreement. The selected Contractor will be required to purchase, own and maintain all rolling stock for the SMaRT Station. At a minimum, the selected Contractor must provide the equipment listed on Proposal Form 10 of this RFP which will become Exhibit H-2 of the Agreement. The selected Contractor must provide the transfer vehicles utilized to deliver MSW to the Kirby Canyon Landfill. The selected Contractor may utilize third-party trucking companies to transport outbound recyclable commodities such as yard trimmings, wood chips, paper, metal, plastic, glass, etc. The selected Contractor is also responsible for maintaining existing site security cameras, and installing additional cameras, as necessary, for purposes of assuring adequate site security.

4.4.2 Facility Operation and Maintenance

The selected Contractor will be required to perform routine cleaning and preventive maintenance of all equipment, buildings, parking lots, and access roads per Exhibit J of the Agreement. The selected Contractor will also be required to operate the SMaRT Station in accordance with standards and procedures as specified in Exhibit J of the Agreement.

4.5 HAZARDOUS WASTE EXCLUSION

The selected Contractor is responsible for inspecting and removing hazardous waste from incoming vehicle loads as provided in Section 3.08 of the Agreement and all applicable law. The selected Contractor is also responsible for proper management and disposal of any accumulated hazardous wastes that are inadvertently accepted at the facility or delivered to Kirby Canyon Landfill, in accordance with Section 3.08 of the Agreement. The selected Contractor will be required to implement a Hazardous Waste Exclusion Program (HWEP) as described in Section 3.08 of the Agreement.

Note that hazardous waste produced by the selected Contractor (e.g., oil and anti-freeze from rolling stock, grease, sheets used in cleaning equipment, etc.) is the responsibility of the selected Contractor. No compensation will be provided to the selected Contractor for the proper management of any such waste that is generated.

4.6 MITIGATION MEASURES

The selected Contractor will be required to implement the applicable mitigation measures for blowing debris, vector control, odor, dust and noise, and fire control, as specified in the FEIR and Exhibits F and J of the Agreement.

4.7 COLLECTION OF FEES

The selected Contractor will be responsible for collection, accurate record keeping and reporting and delivery to the City, of all fees paid to the SMaRT Station, in accordance with Section 3.14 of the Agreement.

4.8 SALE OR TRANSFER OF RECYCLABLE MATERIALS

The selected Contractor will be responsible for storing, marketing, and shipping all materials recovered from MSW or source-separated materials received at the SMaRT Station. The City reserves the right to terminate the selected Contractor's usage of any material recipient (i.e. recycler, recycling facility, material broker, or end user) purchasing or receiving any materials from the SMaRT Station in the event that the material recipient is disposing or otherwise improperly processing the materials. The selected Contractor must ship all materials for sale within 90 days of diversion unless City provides a written exemption for that material. Recyclable materials shall not be landfilled under any circumstances unless so directed by the City. Refer to Section 3.16 and Section 4.01 of the Agreement for specific details on terms for marketing of recovered material.

4.9 OPERATION PERFORMANCE GUARANTEES

The selected Contractor will be required to achieve the minimum recycling level of 17.5% calculated as described in Exhibit S of the Agreement.

4.10 PERFORMANCE BOND

As security for performance under the terms of the Agreement, the selected Contractor will be required to furnish a performance bond in the amount of two million dollars (\$2,000,000). Refer to Section 7.03 of the Agreement for specific provisions on the performance bond.

4.11 ENVIRONMENTAL PROCUREMENT POLICY

The City of Sunnyvale has established an Environmental Procurement Policy to, among other things, promote the use of environmentally preferable products. The selected Contractor will be required to adhere to the City's Environmental Procurement Policy as specified in Section 10.23 of the Agreement.

4.12 CLEAN AIR FUELS AND RECYCLED MOTOR OIL

Clean air fuels are those fuels which minimize harmful air emissions from equipment. Examples of clean air fuels include, but are not limited to, electricity, propane, liquid natural gas (LNG) compressed natural gas (CNG) and biodiesel. The selected Contractor will be required to utilize clean air fuels in its forklifts, pick-up trucks, and all other rolling stock provided by the Contractor, excluding loaders and transfer vehicles. Proposal Forms 11 and 12 must assume transfer vehicles and loaders powered by standard diesel fuel, with all other rolling-stock powered by a clean air fuel. Proposal Form 18 must specify the type of clean air fuel to be used in all rolling stock excluding loaders and transfer vehicles.

In addition, each Proposer shall utilize Proposal Form 18 to submit an alternative cost proposal for fueling loaders and transfer vehicles utilizing a clean air fuel of the Proposer's choosing. On Proposal Form 18, Proposer shall state the difference, if any, that utilizing the proposed clean air fuel would cause in its proposed annual compensation and the per ton compensation for additional tons should the City choose to select this alternative. A Proposer may, at its own option, elect to propose two or more different types of clean air fuels for loaders and transfer vehicles, itemizing the corresponding impact on proposed compensation for each.

The selected Contractor will also be required to utilize recycled motor oil in all rolling stock. Upon request, the City will provide Proposers with information on how to obtain recycled motor oil.

SECTION 5. BUSINESS AND FINANCIAL ARRANGEMENTS

5.1 TERM OF AGREEMENT

The Agreement described in this RFP contemplates the selected Contractor operating the SMaRT Station for seven years. At the City's option the term of the Agreement may be extended for one or more periods of three months, up to a maximum of one year as described in Section 2.03 of the Agreement.

5.2 PAYMENT ARRANGEMENTS

Figure 5-1 presents a diagram of the cash flow associated with SMaRT Station operations.

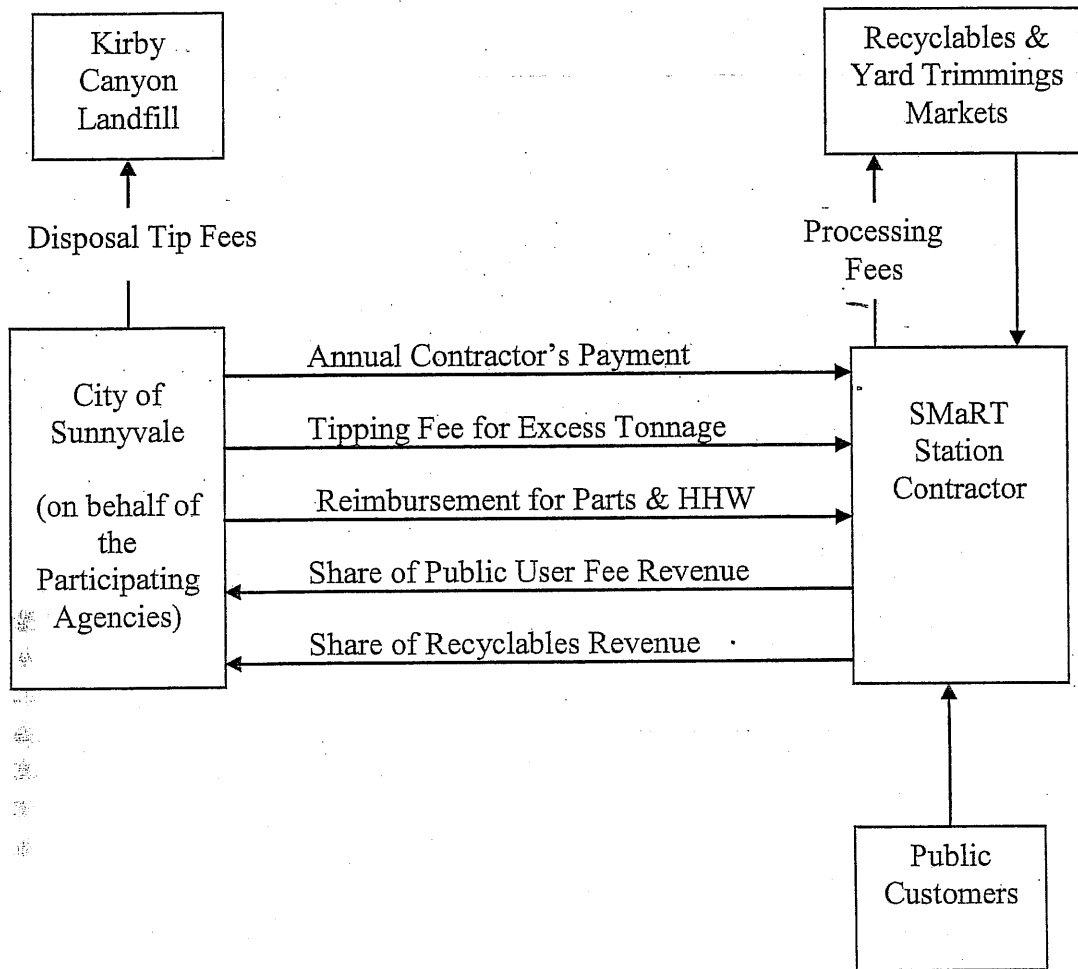
5.2.1 City's Payments

The City's sole payment obligations for all services to be provided under the terms of the RFP and the Agreement shall be limited to the following:

- Payment to the Contractor of a fixed annual Contractor's Payment and adjustments thereto, as described in Article 5 of the Agreement. This payment shall be disbursed in 12 equal monthly payments per year. Monthly payments shall be made in arrears.
- Reimbursement to the Contractor on a per ton basis (Tipping Fee for Excess Tonnage) if the combined tonnage of inbound franchised MSW and yard trimmings exceeds 290,000 tons per year. Proposers shall quote separate Tipping Fees for excess MSW and yard trimmings on Proposal Form 12.
- Reimbursement to the Contractor for spare parts for stationary equipment listed in Exhibit H-1 of the Agreement.
- Reimbursement to the Contractor for disposal costs for hazardous waste and sharps identified by the selected Contractor through the Hazardous Waste Exclusion Program per Section 5.02D of the Agreement and sharps collected from the public at the drop-off area. This does not include hazardous waste generated by the selected Contractor and CFCs, compressor oils and mercury containing switches removed from appliances delivered to the SMaRT Station which are to be handled at the selected Contractor's expense.

In addition, please note that the City is solely responsible for compensating the Kirby Canyon Landfill for disposal of all MSW delivered by the Contractor from the SMaRT Station to the Kirby Canyon Landfill. The Kirby Canyon Landfill bills the City directly for disposal. The Contractor is not involved in the disposal payment.

**Figure 5-1
Cash Flow Diagram for SMaRT Station**



5.2.2 Payment to the Selected Contractor

5.2.2.1 Annual Contractor's Payment

City shall pay the Contractor a fixed annual Contractor's Payment and adjustments thereto, as described in Article 5 of the Agreement. This payment shall be disbursed in 12 equal monthly payments per year. Monthly payments shall be made in arrears. This payment is compensation to the Contractor for accepting, processing, and transferring up to 290,000 tons per year of franchised MSW and yard trimmings from the Participating Agencies.

5.2.2.2 Tipping Fees for Excess Tonnage

Should the combined tonnage of franchised MSW and yard trimmings accepted at the SMaRT station exceed 290,000 in any given fiscal year, the selected Contractor will be compensated for the additional tons at the Tipping Fees set forth in Article 5 of the Agreement. Separate Tipping Fees shall be used for excess tons of MSW and Yard Trimmings.

5.2.2.3 Contractor's Share of Public Use Fee Revenue

The City establishes Public Use Fees for publicly hauled (non-franchised) wastes. The Public Use Fees vary by material type and are all greater than \$5.50 per cubic yard. The Contractor's Share of Public Use Fee Revenue for all material types shall be \$5.50 per cubic yard multiplied by the number of cubic yards delivered. The selected Contractor will collect Public Use Fee revenue from public customers, retain \$5.50 per cubic yard, and remit the remainder of the Public Use Fee Revenue to the City.

5.2.2.4 Liquidated Damages

The City of Sunnyvale may deduct from selected Contractor's payment liquidated damages as set forth in the provisions of Section 9.06 of the Agreement.

5.2.2.5 Inflation Adjustment

The annual Contractor's Payment, Tipping Fee for Excess Tonnage and Contractor's Share of Public Use Fee per cubic yard will be adjusted for inflation each fiscal year per Section 5.03 of the Agreement.

5.2.3 Revenues from Sale of Recyclable Materials

The selected Contractor collects all gross revenues from processors and end-users from the sale of recyclable materials and remits to the City of Sunnyvale a portion of the gross recycling revenue. The percentage of the gross revenues that the Contractor remits to the City shall be as specified in Exhibit O-13 of the Agreement, and includes revenues derived from:

- Materials recovered by the selected Contractor from MSW;
- Source-separated Recyclable Materials delivered by the Participating Agencies' franchised haulers;
- Source-separated wood and yard trimmings delivered by the Participating Agencies' franchised haulers; and
- Recyclable materials delivered to the buyback/drop-off center.

The selected Contractor shall pay to the City, on a monthly basis, the City's share of all revenues received during the preceding month. In the event that the selected Contractor incurs a disposition cost to market recyclable materials recovered at the SMaRT Station for recycling, whereby the selected Contractor must pay the material broker or end user a fee for disposition of a materials shipment, the selected Contractor will pay a percentage of the total disposition cost equal to that specified in Exhibit O-13 for the "Contractor's Revenue Share." The City will pay a percentage equal to the "City's Revenue Share." For example, if one month the selected Contractor received \$100,000 in revenue from the sale of paper, metal, and plastic, and paid \$25,000 to a composting facility to recycle yard trimmings, the total recyclable materials revenue for that month would be \$75,000. This revenue will be shared between the Contractor and the City based upon the formula specified in Exhibit O-13 of the Agreement. The handling of material disposition costs when no markets exist is specified in Section 3.16.C.5 of the Agreement.

When calculating recyclables revenue, Contractor shall use revenues accrued at the time of the invoice. Uncollectible receivables are the Contractor's responsibility. The Contractor shall have 120 days after submitting its monthly compensation invoice to the City to make any adjustments to the reported recyclables revenue.

5.2.4 Invoicing and Reporting Requirements

The selected Contractor will be required to provide monthly reporting of all MSW and recyclable materials received at, and transferred from, the facility in a format acceptable to the City. Beginning in February 2008, and on a monthly basis thereafter, the selected Contractor will be responsible for preparing and submitting, in a form prescribed by the City per Section 5.07 of the Agreement, an invoice indicating the amount due and payable by the City for services rendered in the prior month. The City shall pay the amount due the selected Contractor, when submitted on a proper invoice, less liquidated damages, if any, in accordance with payment procedures described in Article 5 of the Agreement. In the event of a dispute over an invoiced amount, the procedures described in Article 5 of the Agreement will be followed.

5.3 DEFAULTS AND REMEDIES

Article 9 of the Agreement identifies the specific Event(s) of Default, as well as the remedies available to the non-defaulting party should any such Event of Default occur.

5.4 INSURANCE REQUIREMENTS

The selected Contractor will be required to maintain insurance in effect during the term of the Agreement in accordance with the terms set forth in Section 7.02 of the Agreement.

SECTION 6. PROPOSAL REQUIREMENTS AND EVALUATION

This section provides information on the following issues:

- Organization of information to be included in the Proposal Package
- Proposer qualifications
- Proposal evaluation criteria

6.1 PROPOSAL PACKAGE CONTENT AND ORGANIZATION

Proposers must provide adequate description and documentation supporting:

- Corporate and Project Team Qualifications,
- Financial Qualifications, and
- Plans for Operation of the SMaRT Station and Marketing of Recovered Materials.

A brief description of the minimum information to be included in the proposal package is presented below. Note that each description corresponds to the Proposal Forms provided in Appendix B. The proposal package must include all the completed Proposal Forms and associated supporting documentation. The Proposal Transmittal Letter (Proposal Form 1) must be notarized.

Proposers must complete and submit the following Proposal Forms that are included in Appendix B.

1. Proposal Transmittal Letter
2. General Proposer Information, Background, Experience and References
3. Detailed Project Experience:
 - 3A – MSW Processing Operations
 - 3B – Recyclable Materials Processing Operations
 - 3C - Yard Trimmings and Wood Waste Processing and Marketing
 - 3D - Materials Marketing
 - 3E - Long-Haul Transport
4. Structure of Project Team
5. Resumes
6. Financial Statements
7. List of Personnel and Subcontractors
8. Proposal Security Bond
9. Description of Health and Safety Plan and Hazardous Waste Identification, Handling, and Storage Procedures
10. List of Equipment (Rolling Stock) to be Furnished by Proposer

11. Annual Operating Cost
12. Annual Contractor's Payment and Tipping Fees for Excess Tonnage
 - 12A Annual Contractor's Payment – MSW Processing Equipment Installed
 - 12B Annual Contractor's Payment – MSW Processing Equipment Not Installed
 - 12C Tipping Fee for Excess MSW Tonnage (without Palo Alto Recyclables)
 - 12D Tipping Fee for Excess Yard Trimmings Tonnage (without Palo Alto Recyclables)
 - 12E Tipping Fee for Excess MSW Tonnage (with Palo Alto Recyclables)
 - 12F Tipping Fee for Excess Yard Trimmings Tonnage (with Palo Alto Recyclables)
13. Materials Recovery and Marketing Plan
14. Anti-Collusion Affidavit
15. Pending Litigation
16. Exceptions to Proposed Agreement
17. Identification of Surety
18. Clean Air Fuels Plan
19. Maintenance Plan

6.2 PROPOSER QUALIFICATIONS

In order to qualify as a Proposer, the minimum technical experience and financial qualifications described below must be met.

6.2.1 Technical Experience

Proposers shall use Proposal Forms 2 and 3 to demonstrate their technical experience. Proposers must have been in existence for no fewer than three (3) years and possess no fewer than two (2) years of actual operating experience in solid waste processing, materials recovery and recycling, and solid waste transfer. Proposers may not be in default on any contract obligations during this period. In the case of joint venture or partnership proposals, at least one member of the team must meet the experience requirement and no members can be in default.

6.2.2 Financial Qualifications and Bond Requirements

Proposers must describe the financial condition and strength of the company and/or joint venture. The description will include audited financial statements covering the last three years (Proposal Form 6).

Proposers must comply with the bonding requirements of the RFP as follows:

- Furnish, as proposal security, a proposal bond issued by a company admitted in California and subject to _____ by the California insurance commissioner, in the amount of \$100,000 (Proposal Form 8).
- Provide the name of a surety company admitted in California that is prepared to furnish a performance bond consistent with the requirements of Section 7.03 of the Agreement (Proposal Form 17).

6.2.3 Corporate and Project Team Experience and Qualifications

Corporate Qualifications

Proposers must provide as evidence of prior experience:

- References who can verify that the Proposer has successfully operated projects involving the handling, transfer, and recovery of MSW (Proposal Form 2).
- References who can verify that the Proposer has material recovery, marketing and long haul transfer experience (Proposal Form 2).

Project Team Experience

Proposers must provide as evidence of project team experience:

- An organization chart for operating the SMaRT Station, detailing the responsibilities of key team members and personnel (Proposal Form 4).
- A list of all principals and owners of the project team, their subcontractors, and all the parties' relationship to the project, including a complete resume of the facility manager and other key members of the operation management team (Proposal Forms 5 and 7).
- A list of other projects involving material recovery, MSW processing, and transfer station operations with which the project team has had experience, indicating facility capacity, technology, operating methods, ownership, and cost information for each listed project, as well as the degree of involvement of the key project participants. References from jurisdictions served by the projects must also be included (Proposal Forms 2 and 3).

6.2.4 Other Required Submittals

Proposers must also submit the following:

- An affidavit of non-collusion (Proposal Form 14),

- A statement listing any pending litigation (Proposal Form 15).
- Additionally, if the Proposer wants to take any exceptions to the proposed Agreement they must be clearly explained in Proposal Form 16.

6.2.5 Specifications for Operation of SMaRT Station

Proposers are required to submit sufficient documentation that describes and illustrates in detail:

- The operating plan;
- The marketing plan; and
- The basis for the proposed Annual Contractor's Payment and Tipping Fees for Excess Tonnage.

Certain documentation is to be prepared for direct inclusion as Exhibits to the Agreement. References are made below to the specific Proposal Forms and Exhibits.

Operating Plan - The Facility must be operated in such a manner as to achieve the Minimum Recycling Level of 17.5%. Proposers must identify the equipment to be used in handling and transferring all MSW and recyclable materials (Proposal Form 10). Proposers must identify the facility health and safety procedures (Proposal Form 9). Proposers must describe in detail the methods for receipt, handling, loading and unloading, processing and final disposition procedures for all MSW and recyclable materials received at the SMaRT Station (Proposal Form 13), in accordance with the design of the SMaRT Station as represented in Figures A-3, A-4, A-5, A-6, and A-9 (see Appendix A for these Figures). The description provided by the Proposer on Proposal Form 13 will be included as Exhibit B of the Agreement and must specify at a minimum:

- Material receipt, handling, and transfer procedures
- Procedures for recovering recyclable materials from MSW
- Waste hauling plan to transport MSW to Kirby Canyon Landfill
- On-site traffic management
- Recyclable material management, sales, and storage

Marketing Plan - Proposers must provide a description of the marketing plan for recyclable materials including specific personnel requirements, time dedicated to marketing efforts, knowledge of local markets, estimated per ton revenue received for each commodity, etc. The

Marketing Plan must specifically address markets for yard trimmings, wood, and other organics materials targeted for diversion. Proposers must identify the organics composting/processing site(s) to be utilized, the end products that that site(s) will produce, and the tip fees, if any, that the site(s) will charge the Proposer (Proposal Form 13).

Operating Costs - Proposers must provide operating cost justification (Proposal Form 11) demonstrating how these costs are incorporated into the Annual Contractor's Payment and the Tipping Fees for Excess Tonnage (Proposal Form 12).

Clean Air Fuels Plan - Proposers must utilize Proposal Form 18 to: (1) Explain how they will meet the requirement that all rolling stock provided by the Contractor (excluding loaders and transfer vehicles) will be powered by clean air fuels; and (2) Propose one or more clean air fuel alternatives for powering loaders and transfer vehicles, and itemize the cost implications of these alternatives.

Maintenance Plan - Proposers must utilize Proposal Form 19 to describe their maintenance plan for the facility, equipment and rolling stock. This plan shall include a description of types of repairs and maintenance to be performed on-site and off-site, plans for preventive maintenance and plan for unscheduled repairs, and numbers and types of maintenance personnel.

6.3 PROPOSAL EVALUATION CRITERIA

A proposal evaluation team including, but not limited to, members of the City's staff and consultants will evaluate all proposals. Proposals will be rated using the five criteria listed below.

- Experience and qualifications of the Proposer to operate a materials recovery and transfer facility of this size
- Thoroughness, comprehensibility, and adequacy of facility operating, maintenance and marketing plans, and overall proposal approach
- Proposed Annual Contractor's Payment for existing tonnage levels
- Proposed Tipping Fees for Excess Tonnage ; and
- The number, nature, and materiality of exceptions taken to the Agreement

A. Proposer's relevant experience will be evaluated in five separate categories:

- MSW Processing
- Recyclable Materials Processing
- Yard Trimmings and Wood Waste Processing and Marketing

APPENDIX A

SMaRT STATION DESIGN DRAWINGS

Figure A-1	Service Area	[DAK: Have 2000 hardcopy]
Figure A-2	Street Location	[DAK: Have 2000 hardcopy]
Figure A-3	Site General Arrangement	[DAK: Missing]
Figure A-4	Building General Arrangement	[DAK: Missing]
Figure A-5	Mass Flow Diagram	[DAK: need updated version]
Figure A-6	MSW Processing Equipment (90% drawings)	[DAK: Need drawings]
Figure A-7	Source Separated Recyclables Processing Equipment	[DAK: Have CS Genl arrangemt.tif]
Figure A-8	Architectural Main Building Exterior Elevations	[DAK: Have 2000 hardcopy]
Figure A-9	Utilities Plan	[DAK: need updated plan]

APPENDIX B

PROPOSAL FORMS

1. Proposal Transmittal Letter
1. General Proposer Information, Background, Experience and References
1. Detailed Project Experience
 - 3A – MSW Processing Operations
 - 3B - Recyclable Materials Processing Operations
 - 3C – Yard Trimmings and Wood Waste Processing and Marketing
 - 3D - Materials Marketing
 - 3E - Long-Haul Transport
1. Structure of Project Team
1. Resumes
1. Financial Statements
1. List of Personnel and Subcontractors
1. Proposal Security Bond
1. Description of Health and Safety Program/Hazardous Materials Procedures
1. List of Equipment (Rolling Stock) to be Furnished by Proposer
1. Annual Operating Cost
 - Annual Contractor's Payment and Tipping Fees for Excess Tonnage 12A Annual Contractor's Payment – MSW Processing Equipment Installed
 - 12B Annual Contractor's Payment – MSW Processing Equipment Not Installed
 - 12C Tipping Fee for Excess MSW Tonnage (without Palo Alto Recyclables)
 - 12D Tipping Fee for Excess Yard Trimmings Tonnage (without Palo Alto Recyclables)
 - 12E Tipping Fee for Excess MSW Tonnage (with Palo Alto Recyclables)
 - 12F Tipping Fee for Excess Yard Trimmings Tonnage (with Palo Alto Recyclables)
1.
 1. Materials Recovery and Marketing Plan
 1. Anti-Collusion Affidavit
 1. Pending Litigation
 1. Exceptions to Proposed Agreement
 1. Identification of Surety
18. Clean Air Fuels Plan
19. Maintenance Plan